

Fundamentals of Strategic Planning

Presented by:

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Course Outline

1. Importance of Planning / Types of Planning

- Management functions – planning, organizing, staffing, influencing, controlling
- Different planning horizons – long-term is > 5 years, intermediate is 1-5 years, short-term is < 1 year
- Need for planning is increased in healthcare because the environment is always changing in ways you can't control or predict
- Planning decisions provide units with standards against which performance is measured
- Strategic, Business, Operating, Program

2. The Strategic Planning Team and Process

- Culture and leadership
- Sometimes full-time planners for CEOs
- Done by Board of Trustees / Directors, senior management, a facilitator, external help (auditors, associations, community); managers may contribute
- Basic process: formulate a strategy, establish objectives / critical success factors, and determine how to achieve them
- Words may change but specific process encompasses: environmental assessment, mission, vision, goals, objectives, strategies / actions, implementation, evaluation

3. External or Environmental Assessment

- SWOT Analysis – Opportunities and Threats
- Stakeholder Analysis – customers, etc.
- Benchmarking
- Competitive Analysis
- Market Assessment – demographics, society, industry indicators, regulatory and accreditation changes

4. Internal Assessment

- SWOT Analysis – Strengths and Weaknesses
- Capabilities
- Organizational performance

5. Case Study – PH Consulting

- Public Health consulting organization. \$30M annual revenue in consulting for public health agencies. Largest contracts are for NIH (National Institutes for Health), SAMHSA (Substance Abuse and Mental Health Services Administration), CDC (Centers for Disease Control and Prevention), and the State of Maryland. Staff includes clinicians, public health administrators, statisticians, social scientists, educators, and some IT professionals (web designers, etc.), among others. There are approximately 200 full-time employees, as well as a number of “consultants” to the company giving expertise on a limited basis to certain projects. Currently, main types of work are public health program development and evaluation, public health information / education development and dissemination, and conference planning.
- Brainstorm some elements of strategic plan for this company (where * is indicated)

6. Mission and Vision Development

- * Mission is timeless – what an organization does, its purpose, why it exists
- Validate mission
- Each department should have a mission
- * Vision – where we go in the next 5 years – should be a single statement

7. Strategic Goals and Objectives

- * Strategic Goals are broad strategic thrusts
- * Objectives are the critical success factors for achieving the organizational goals
- Objectives must be flexible and adaptable to change while still supporting goals
- Steps to writing strong objectives = SMART (Allen 2000): specific, measurable, attainable, result-oriented, time-limited

8. The Action Plan and Strategies

- Priorities
- Steps to make your objectives
- Need lower-level input and support to define

- Identify interrelationships among these

9. Implementing, Evaluating, and Altering the Strategic Plan

- Achieve results through Management by Objective (Peter Drucker, 1950s) – planning function plus participative management, collaboration, motivation, and controlling
- Collaborative goal-setting by manager and subordinate for evaluating and rewarding. Objectives must be specific, measurable, and challenging, but realistically attainable in a timeframe.

10. Case Study continued

- You are the project manager for the Diabetes Awareness project for the National Institute of Diabetes and Digestive and Kidney Diseases, part of NIH. It is a 5-year project at \$1M / year, and it is in its final year. As part of this project, your team has developed materials to be distributed to state agencies to then be distributed to the public on diabetes. You have developed a website on the subject, and you have developed training courses for public health department nurses. Your team has also been giving some advice to the Institute as they are thinking about developing a model program on diabetes awareness for minority groups. You have had approximately 20 people on your team throughout the course of the five years, including subject matter experts, educators, web designers, graphic artists, etc. You need to develop objectives for your area in support of the strategic plan as input to the company's annual operating plan. What specific objectives and strategies could you develop aligned with the company's goals / objectives / strategies?

Suggested Further Reading

Bryson, John M., *Strategic Planning for Public and Nonprofit Organizations* (San Francisco: Jossey-Bass, 1995).

Campbell, Richard W. and James L. Garnett, *Handbook of Strategic Management, Second Edition* (New York: Marcel Dekker, 2000).

Ginter, PM, Swayne, LM, and Duncan WJ, *Strategic Management of Health Care Organizations* (Blackwell, 1997).

Thompson, Jr., Arthur A. and Strickland III, AJ, *Strategic Management: Concepts and Cases, Tenth Edition* (Boston: Irwin McGraw-Hill).